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LS 6-21

**CONFIDENTIAL**

3 January 1957

**MEMORANDUM FOR: Deputy Director (Support)**

**SUBJECT: Cash Shortage [REDACTED] Account**

25X1A

1. The Board of Review for Shortages and Losses recommended a write-off in the case of Mr. [REDACTED] for funds not accounted for in the amount of \$668.18. My Office objected on the ground that since there was a shortage the responsible officer must be held liable unless it is demonstrated that he is without fault. This is a correct legal position I believe. In light of all the circumstances it is not clear to me whether or not Mr. [REDACTED] is without fault. Certainly others, particularly his immediate superiors, shared and possibly were primarily responsible by virtue of the conditions they created which [REDACTED] could not control. At this late date it would appear a practical impossibility to ascertain the true facts and so properly to affix responsibility.

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2. Under these circumstances it seems inequitable to hold Mr. [REDACTED] solely responsible and if you agree with the conclusions of the Board, I would have no legal objection to your approval of the Board's recommendations. This is a good example, however, of the need for immediate action in investigating and affixing responsibility for shortages and losses.

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SIGNED

**LAWRENCE R. HOUSTON**  
General Counsel

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